



How has the new Stimulus bill affected the tax credits for energy efficient home improvements?

On February 17, 2009, President Obama signed a stimulus bill (The American Recovery and Reinvestment Act (ARRA) of 2009) that made some significant changes to the energy efficiency tax credits. The highlights are:

The tax credits that were previously effective for 2009, have been **extended to 2010** as well.

The tax credit has been raised from 10% to **30%**.

The tax credits that were for a specific dollar amount (ex \$300 for a CAC), have been converted to **30% of the cost**.

The **maximum credit has been raised from \$500 to \$1500** for the **two years (2009–2010)**.

However, some improvements such as geothermal heat pumps, solar water heaters, and solar panels are not subject to the \$1,500 maximum.

The **\$200 cap on windows has been removed**, but the requirements for windows has been increased significantly. Not all ENERGY STAR qualified windows will qualify.

What products are eligible?

Tax credits are available at 30% of the cost, up to \$1,500 total, in 2009 & 2010 (for existing homes only) for:

- Windows and Doors
- Insulation
- Roofs (Metal and Asphalt)
- HVAC
- Water Heaters (non-solar)
- Biomass Stoves

Tax credits are available at 30% of the cost, with no upper limit through 2016 (for existing homes & new construction) for:

- Geothermal Heat Pumps
- Solar Panels
- Solar Water Heater
- Small Wind Energy Systems
- Fuel Cells

Are Installation costs covered?

Installation costs **ARE COVERED** for:

- HVAC (Heating, Ventilation and Air Conditioning) systems
- Water Heaters (including solar)
- Solar Panels
- Geothermal Heat Pumps

Wind Energy Systems
Fuel Cells

Installation costs **are NOT covered by the tax credit for:**

Windows
Doors
Insulation
Roofs

The tax credit for windows, doors, insulation and roofs is for 30% of the cost of materials, up to \$1,500

Can sliding glass patio doors qualify for the tax credit?

Yes, sliding glass patio doors and French doors "placed into service" in 2009 and 2010 are eligible for the Federal tax credit as long as they meet the criteria (U-factor ≤ 3.0 & SHGC ≥ 3.0). The tax credit is for 30% of the total cost, up to \$1,500.

Save your receipts and the Manufacturer's Certification Statement for your taxes.

Are garage doors covered by the federal tax credit?

Garage doors installed in 2009 or 2010 may be eligible for the tax credit provided that the door is installed in or on an insulated garage as a component of the taxpayer's principal residence, the garage door meets the other requirements of the tax credit (i.e. it has a U factor ≤ 3.0 and a SHGC ≤ 3.0), and the garage door is certified by the manufacturer.

ENERGY STAR does not label garage doors.

Home Improvements

Tax credits are now available for home improvements:

must be "[placed in service](#)" from January 1, 2009 through December 31, 2010

must be for taxpayers principal residence

maximum amount is \$1,500 in 2009 & 2010 for most home improvements (geothermal heat pumps, solar water heaters, solar panels, fuel cells, and windmills are not subject to this cap, and are in effect through 2016)

must have a [Manufacturer Certification Statement](#)³ to qualify

for record keeping, save your receipts and the [Manufacturer Certification Statement](#)³ improvements made in 2009 will be claimed on your 2009 taxes (filed by April 15, 2010) — use IRS Tax Form 5695 (2009 version) — it will be available late 2009 or early 2010

If you are building a new home, you can qualify for the tax credit for geothermal heat pumps, photovoltaics, solar water heaters, small wind systems and fuel cells, **but not the tax credits for windows, doors, insulation, roofs, HVAC, or non-solar water heaters.** [More](#).

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Windows & Doors	Exterior Windows and Skylights	U factor ≤ 0.30 SHGC ≤ 0.30	30% of cost, up to \$1,500 ²	Not all ENERGY STAR labeled windows and skylights qualify for tax credit. More information

	Storm Windows	Meets IECC ¹ in combination with the exterior window over which it is installed, for the applicable climate zone	30% of cost, up to \$1,500 ²	Manufacturer Certification Statement ³ will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) ⁴ that a product may be combined with to be eligible in specific climate zones.
	Exterior Doors	U factor <= 0.30 SHGC <= 0.30	30% of cost, up to \$1,500 ²	Not all ENERGY STAR doors will qualify. More information
	Storm Doors	In combination with a wood door assigned a default U-factor by the IECC ¹ , and does not exceed the default U-factor requirement assigned to such combination by the IECC	30% of cost, up to \$1,500 ²	
Roofing	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified	30% of cost, up to \$1,500 ²	All ENERGY STAR labeled metal and asphalt roofs qualify for the tax credit. Must be expected to last 5 years OR have a 2 year warranty.
Insulation	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 ²	For insulation to qualify, its primary purpose must be to insulate. (example: vapor retarders are covered, siding does not qualify). Must be expected to last 5 years OR have a 2 year warranty

Source:

www.energy.gov/recovery